

Message Text

LIMITED OFFICIAL USE

PAGE 01 MANILA 06312 070331Z

14

ACTION EB-07

INFO OCT-01 EA-07 ISO-00 AID-05 CIAE-00 COME-00 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04

CEA-01 DODE-00 PM-04 H-02 L-03 PA-01 PRS-01 /086 W

----- 114693

R 070221Z MAY 76

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 4767

INFO AMEMBASSY BANGKOK

AMEMBASSY JAKARTA

AMEMBASSY KUALA LUMPUR

AMEMBASSY SINGAPORE

LIMITED OFFICIAL USE MANILA 6312

E. O. 11652: N/A

TAGS: EGEN, PFOR, ASEAN, RP

SUBJECT: ASEAN COMMITTEE ON INDUSTRY MEETING IN MANILA APRIL
26-30.

REF: MANILA 4112

1. SUMMARY: IN ACCORDANCE WITH THE AGREEMENT OF THE ASED
ECONOMIC MINISTERIAL MEETING AT KUALA LUMPUR, THE COMMITTEE
ON INDUSTRY MET FOR THE FIRST TIME IN MANILA APRIL 26-30
TO EXAMINE THE FEASIBILITY OF IMMEDIATELY ESTABLISHING THE
FIVE ASEAN PROJECTS ON UREA (TWO PLANTS), SUPERPHOSPHATES,
DIESEL ENGINES, AND SODA ASH. THE COMMITTEE DISCOVERED THAT
MUCH REMAINS TO BE DONE, AND EACH DELEGATION HAS INDICATED
THE NEED FOR DETAILED FEASIBILITY STUDIES BEFORE PROCEEDING
FURTHER. REQUESTS FOR PREFERENTIAL TRADE ARRANGEMENTS
HAVE BEEN REFERRED TO THE COMMITTEE ON TRADE. IN THE MEAN-
TIME, GUIDELINES FOR ESTABLISHING THE PROJECTS HAVE BEEN
DRAWN UP FOR CONSIDERATION BY THE ASEAN ECONOMIC MINISTERS
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MANILA 06312 070331Z

IN JUNE IN MANILA. END SUMMARY.

2. THE FIRST MEETING OF THE ASEAN COMMITTEE OF INDUSTRY MET IN MANILA ON APRIL 26 TO 30 TO EXAMINE THE FEASIBILITY OF IMMEDIATELY ESTABLISHING THE FIVE ASEAN PROJECTS--A UREA PLANT EACH IN INDONESIA AND MALAYSIA, SUPERPHOSPHATES IN THE PHILIPPINES, DIESEL ENGINES IN SINGAPORE, AND SODA ASH IN THAILAND. THE COMMITTEE ON INDUSTRY WAS ESTABLISHED PURSUANT TO A DECISION OF THE ASEAN ECONOMIC MINISTERIAL MEETING IN KUALA LUMPUR LAST MARCH (REFTEL).

3. THE RESPECTIVE DELEGATIONS WERE HEADED BY ACHMAD SLAMET, SECRETARY GENERAL OF THE INDONESIAN DEPARTMENT OF INDUSTRY; NASRUDDIN BIN MOHAMED, SECRETARY GENERAL OF THE MALAYSIAN MINISTRY OF TRADE AND INDUSTRY; NGIAM TONG DOW, CHAIRMAN OF THE ECONOMIC DEVELOPMENT BOARD OF SINGAPORE AND PERMANENT SECRETARY OF THE DEVELOPMENT DIVISION OF THE DEPARTMENT OF FINANCE; SOMPORU PUNYAGUPTA, SECRETARY GENERAL OF THE THAI BOARD OF INVESTMENT; AND VINCENTE T. PATERNO, PHILIPPINE SECRETARY OF INDUSTRY AND CHAIRMAN OF THE BOARD OF INVESTMENT. PATERNO AND NASRUDDIN WERE ELECTED CHAIRMAN AND VICE CHAIRMAN OF THE MEETING, RESPECTIVELY.

4. EACH DELEGATION PRESENTED DATA ON PAST AND PROJECTED IMPORT REQUIREMENTS AND ON EXISTING OR PLANNED CAPACITY FOR ITS PROJECT. EACH ALSO DESCRIBED THE REQUIREMENTS FOR RAW MATERIALS, PRODUCTION PROCESS AND PRODUCT SPECIFICATIONS, CAPITAL, AND MARKETING. THE ENSUING DISCUSSIONS RESULTED IN DEFINING ASPECTS OF EACH INDIVIDUAL PROJECT REQUIRING FURTHER DETAILED INVESTIGATION. ALL DELEGATIONS INDICATED THEIR INTENTION TO COMMISSION DETAILED FEASIBILITY STUDIES ON THEIR PROJECTS WHICH WILL BE SUBMITTED TO THE COMMITTEE FOR REVIEW AND EVALUATION.

5. EACH DELEGATION ALSO PRESENTED ITS REQUESTS FOR PREFERENTIAL TRADING ARRANGEMENTS FOR THE PRODUCTS OF ITS ASEAN PROJECT. MOST REQUESTS CONTAINED A PROVISION FOR LONG TERM CONTRACTS. THESE REQUESTS WILL BE CONSIDERED BY THE COMMITTEE ON TRADE WHICH IS EXPECTED LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MANILA 06312 070331Z

TO MEET SOMETIME IN MAY IN SINGAPORE.

6. GUIDELINES FOR THE ESTABLISHMENT OF THE PRODUCTS WERE ALSO DISCUSSED, AND DRAFT PROPOSALS WILL BE SUBMITTED TO THE ASEAN ECONOMIC MINISTERS MEETING IN JUNE IN MANILA. GUIDELINES WILL TOUCH ON AREAS SUCH AS DISTRIBUTION OF EQUITY AMONG ASEAN COUNTRIES, RELATIONSHIP OF THE ASEAN PROJECT WITH NATIONAL PROJECTS PRODUCING THE SAME OR

SIMILAR PRODUCTS, PROJECT FINANCING, MANAGEMENT, PRODUCT PRICING, ETC. FYI. PATERNO DECLINED TO BE DRAWN OUT ON DETAILS BUT REGARDING EQUITY, HELD OUT POSSIBILITY OF NON-ASEAN PARTICIPATION (PRESUMABLY BY MULTINATIONALS).

7. THE COMMITTEE DID NOT HAVE TIME TO CONSIDER OTHER PROPOSED PROJECTS SUCH AS NEWSPRINT, POTASH, METALWORKING AND MACHINE TOOLS, "FISHERIES", ELECTROLYTIC TIN PLATING, HEAVY DUTY RUBBER TIRES, OR ELECTRONIC COMPONENTS. ITS CONSULTATIONS ON NATIONAL PROGRAMS ON PETROCHEMICALS AND INTEGRATED STEEL INDUSTRIES WERE LIMITED TO THE IDENTIFICATION OF THE ASEAN COUNCIL FOR PETROLEUM (ASCOPE) AND THE ASEAN STEEL CLUB AS THE APPROPRIATE FORA FOR THE EXCHANGE OF INFORMATION, FOLLOWING WHICH POSSIBILITIES FOR COORDINATION COULD BE DISCUSSED AT A FUTURE MEETING OF THE COMMITTEE.

8. REPRESENTATIVES OF THE PRIVATE SECTOR APPEARED BEFORE THE MEETING AND EMPHASIZED THE DESIRE OF THE PRIVATE SECTOR TO WORK WITH THE COMMITTEE ON INDUSTRY. THE COMMITTEE ON INDUSTRY DECIDED TO USE THE ASEAN CHAMBER OF COMMERCE AND INDUSTRY (ASEAN-CCI) TO MAINTAIN LIAISON. IN THE MEANTIME, A JOINT PHILIPPINE/INDONESIAN GROUP OF BUSINESSMEN IS VISITING OTHER NATIONAL CHAMBERS TO DISCUSS ASEAN INDUSTRIAL COOPERATION. THE GROUP INCLUDES RAMON DEL ROSARIO OF THE PHILIPPINE CHAMBER OF COMMERCE AND DR. AZIS SALEH AND HADJI S. TOPOBROTO OF THE INDONESIAN CHAMBER OF COMMERCE AND INDUSTRY.

9. COMMENT. THE MEETING OF THE COMMITTEE ON INDUSTRY IS ANOTHER STEP IN ASEAN CONSIDERATION OF THE AGREED PROJECTS, BUT THE TENOR OF DISCUSSIONS SEEM TO INDICATE THAT THE PROBLEMS ARE DIFFICULT. IN ADDITION, THE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 MANILA 06312 070331Z

CAPITAL REQUIRED WILL BE RATHER LARGE; PATERNO HAS PUBLICLY ESTIMATED A TOTAL OF \$700 TO \$800 MILLION FOR THE FIVE PROJECTS. ALTHOUGH LIP SERVICE WAS PAID TO THE PRIVATE SECTOR, THE PROJECTS SEEM PREDESTINED TO BECOME PUBLIC OR STATE ENTERPRISES. THE POSSIBILITY OF MULTINATIONAL PARTICIPATION HAS BEEN HELD OUT, HOWEVER, AND INDEED THERE HAS BEEN TALK ABOUT ASEAN APPROACHING ADB FOR FINANCING. IN ANY CASE, THE ROAD AHEAD SEEMS

ROCKY BUT THE PARTICIPANTS REMAIN ENTUSIASTIC, AND THE PHILIPPINES MAINTAINED ITS LEADERSHIP BY SECURING AGREE-

MENTS TO HOLD THE NEXT MEETING OF THE COMMITTEE IN MANILA, DATE UNSPECIFIED AS YET.
SULLIVAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MEETING REPORTS, ECONOMIC REPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 07 MAY 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: BoyleJA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976MANILA06312
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760176-0213
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760580/aaaacqpl.tel
Line Count: 169
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 MANILA 4112
Review Action: RELEASED, APPROVED
Review Authority: BoyleJA
Review Comment: n/a
Review Content Flags:
Review Date: 26 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26 MAY 2004 by greeneet>; APPROVED <20 SEP 2004 by BoyleJA>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ASEAN COMMITTEE ON INDUSTRY MEETING IN MANILA APRIL 26-30.
TAGS: EGEN, PFOR, RP, ASEAN
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006